

SALINA UNIFIED SCHOOL DISTRICT NUMBER 305
Salina, Kansas

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2014

SALINA UNIFIED SCHOOL DISTRICT NUMBER 305

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INDEPENDENT AUDITOR'S REPORT

School Board Officers
Salina Unified School District Number 305
Salina, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Salina Unified School District Number 305 of Salina, Kansas, as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by Salina Unified School District Number 305 of Salina, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Salina Unified School District Number 305 of Salina, Kansas as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Salina Unified School District Number 305 of Salina, Kansas as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, and schedule of regulatory basis receipts and expenditures - district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations* and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2014, on our consideration of Salina Unified School District Number 305 of Salina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Salina Unified School District Number 305 of Salina's internal control over financial reporting and compliance.

Prior Year Comparative

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated September 15, 2014. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
September 15, 2014

Salina Unified School District Number 305

SUMMARY OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended June 30, 2014

	Unencumbered Cash & Investment Balance (Deficit) June 30, 2013	Prior Year Cancelled Encumbrances
Governmental type funds		
General funds		
General	\$ 0	\$ 0
Supplemental general	952,921	0
Special purpose funds		
Salina Adult Education Center	299,857	0
At-Risk (4 year old)	0	0
At-Risk (K-12)	960,910	0
Bilingual education	0	0
Capital outlay	7,474,047	0
Driver training	12,194	0
Food service	518,096	0
Professional development	255,512	0
Parent education program	51,534	0
Summer school	26,044	0
Special education	3,817,771	0
Vocational education	150,000	0
KPERs special retirement contribution fund	0	0
Central Kansas Cooperative In Education	2,897,947	0
Contingency reserve	4,302,091	0
Textbook rental	339,809	0
Health insurance	9,317,262	0
Retirement plan	1,220,441	0
Federal Grants	(319,640)	0
State and local grants	224,923	0
District activity funds	384,401	0
Bond and Interest Fund		
Bond and interest	5,714,267	0
Capital project funds		
Capital Projects	0	0
Trust Fund		
Stewart Library Endowment	31,718	0
Total primary government (excluding agency funds)	\$ 38,632,105	\$ 0
 Composition of cash and investments		
Cash on hand		
Central High		\$ 75
Bank deposits		
Sunflower Bank, N.A.		346,342
Simmons First Bank		741
UMB Bank		43,028,422

The accompanying notes are an integral part of this statement.

Statement 1

Cash Receipts	Expenditures	Unencumbered Cash & Investment Balance (Deficit) June 30, 2014	Outstanding Encumbrances and Accounts Payable	Cash and Investment Balance (Deficit) June 30, 2014
\$ 43,880,253	\$ 43,880,253	\$ 0	\$ 268,977	\$ 268,977
14,563,810	14,742,291	774,440	143,238	917,678
434,599	463,011	271,445	1,940	273,385
195,936	195,936	0	0	0
8,163,065	8,163,065	960,910	1,157	962,067
1,063,883	1,063,883	0	0	0
3,231,050	2,379,904	8,325,193	479,207	8,804,400
16,050	12,368	15,876	0	15,876
3,747,315	3,746,809	518,602	0	518,602
372,249	372,171	255,590	4,390	259,980
130,951	130,951	51,534	0	51,534
16,327	15,160	27,211	500	27,711
9,648,423	9,588,424	3,877,770	0	3,877,770
596,396	596,396	150,000	0	150,000
6,080,154	6,080,154	0	0	0
21,398,696	22,543,048	1,753,595	8,386	1,761,981
0	0	4,302,091	0	4,302,091
203,842	94,075	449,576	3,547	453,123
8,500,829	9,293,426	8,524,665	1,175,930	9,700,595
777,582	802,628	1,195,395	0	1,195,395
8,595,187	8,506,170	(230,623)	85,898	(144,725)
321,682	337,049	209,556	2,354	211,910
630,189	678,603	335,987	0	335,987
15,038,452	6,995,315	13,757,404	0	13,757,404
131,738,957	15,520,302	116,218,655	0	116,218,655
101	0	31,819	0	31,819
<u>\$ 279,345,978</u>	<u>\$ 156,201,392</u>	<u>\$ 161,776,691</u>	<u>\$ 2,175,524</u>	<u>\$ 163,952,215</u>

Composition of cash and investments - continued**Investments**

Kansas Municipal Investment Pool	111,453,739
UMB Bank	
Securities	\$ 9,393,552
Total cash and investments	164,222,871
Agency funds per Schedule 3	(270,656)
Total primary government (excluding agency funds)	\$ 163,952,215

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE A. MUNICIPAL REPORTING ENTITY

Salina Unified School District Number 305 of Salina is a municipal corporation governed by an elected seven member board. This financial statement presents the Salina Unified School District Number 305 (the municipality). The financial statement includes the municipality only. The District does have a related municipal entity (Salina Education Foundation). The Foundation is not audited; however transactions with the Foundation are disclosed within the notes under related parties.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.). The District does not have any of these types of funds for the year ended June 30, 2014.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Salina Unified School District Number 305 of Salina, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment to Comply with Legal Max – Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the “Legal Max” budget. The State Board of Education calculates the “Legal Max” budget using enrollment figures. The District’s budgeted expenditures are limited to the lower of the published budget or the “Legal Max” budget

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year’s accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

Contingency Reserve	Federal Grants
Textbook Rental	State and Local Grants
Health Insurance	Capital Projects
Retirement Plan	Trust Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the District or in an adjoining District if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District rates investments (if any) as noted.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2014.

At June 30, 2014, the carrying amount of the District's bank deposits was \$43,375,505 (which includes petty cash funds but not cash on hand of \$75) and the bank balance was \$47,237,057. The bank balance was held by three banks reducing concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$500,741 was covered by federal depository insurance, and \$46,736,316 was collateralized with securities held by the pledging financial institution's agents in the District's name. The District also has deposits at the Kansas Municipal Investment Pool of \$111,453,739 which are secured by the state.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured.

Concentration of credit risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had the following the following investments and maturities as of June 30, 2014. Fair value is based upon quoted market values:

Investment Type	Fair Value	Investment Maturities		Percent of Investment	Rating U.S.
		Less than 1	2 yrs		
U.S. Government Agencies					
Federal Home Loan Bank	\$ 2,602,981	\$ 900,633	\$ 1,702,348	28%	S&P A-1+
Federal Farm Credit Banks	100,656	100,656	0	1%	S&P A-1+
Federal Home Loan Mortgage Corp.	2,213,432	1,607,876	605,556	23%	S&P A-1+
Federal National Mortgage Assn.	2,505,962	1,303,074	1,202,888	27%	S&P A-1+
Federated Government Obligations	1,959,156	1,959,156	0	21%	S&P A-1+
Total Fair Value	<u>\$ 9,382,187</u>	<u>\$ 5,871,395</u>	<u>\$ 3,510,792</u>	<u>100%</u>	
Securities at cost	9,393,552	5,881,961	3,511,591		
Unrealized gain (loss)	<u>\$ (11,365)</u>	<u>\$ (10,566)</u>	<u>\$ (799)</u>		

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE F. IN-SUBSTANCE PAYMENTS

The District received \$3,316,433 for general fund and \$293,615 for supplemental general fund subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE G. CAPITAL PROJECTS

On April 8, 2014, a bond issue was passed. The bond issue will address District needs including safety and security, all-day kindergarten, career and technical education and improvements at both high schools. The bond project estimated budgets by location are as follows:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Project Expenditures</u>
<u>Elementary Schools</u>		
Coronado	\$ 3,788,400	\$ 0
Cottonwood	3,745,200	0
Heusner	3,816,000	0
Meadowlark	2,562,960	0
Oakdale	3,662,400	0
Schilling	2,895,600	0
Stewart	2,670,000	0
Sunset	2,700,600	0
<u>Middle Schools</u>		
Lakewood	1,617,600	0
South	6,530,400	0
<u>High Schools</u>		
Central	29,487,727	0
South	46,184,388	0
<u>Other Locations</u>		
Heartland Programs	786,000	0
Salina Adult Education Center	111,000	0
Hageman Education Center	36,000	0
Opportunity Now	108,000	0
Total	\$ 110,702,275	\$ 0

In addition, the proceeds from selling the bonds at a premium and the interest earnings on the proceeds will be allocated to the project as determined by the Board.

NOTE H. LONG-TERM DEBT

General Long-Term Debt

Long-term obligations consisted of the following during the year:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date of Final Maturity</u>
Series 2003, School Refunding & Improvement	4.00% to 4.15%	09/01/2003	\$ 9,675,000	09/01/2013
Series 2004, School Refunding & Improvement	3.50% to 4.00%	01/15/2004	9,530,000	09/01/2013
Series 2005, School Refunding & Improvement	4.50% to 5.00%	01/01/2005	19,140,000	09/01/2014
Series 2011, School Refunding	1.68%	09/29/2011	7,225,000	09/01/2018
Series 2012, School Refunding	1.73%	03/01/2012	16,060,000	09/01/2018
Series 2014, School Refunding & Improvement	3.30%	06/26/2014	117,215,000	09/01/2034

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE H. LONG-TERM DEBT - continued

General Long-Term Debt - continued

Changes in long-term liabilities for the Salina Unified School District for the year ended June 30, 2014 were as follows:

	Balance July 1, 2013	Additions	Reductions/ Payments	Balance June 30, 2014	Interest Paid
Series 2003, School Refunding and Improvement	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 1,031
Series 2004, School Refunding and Improvement	1,000,000	0	1,000,000	0	20,000
Series 2005, School Refunding and Improvement	15,695,000	0	11,095,000	4,600,000	650,151
Series 2011, School Refunding	4,640,000	0	295,000	4,345,000	128,550
Series 2012, School Refunding	15,950,000	0	225,000	15,725,000	230,583
Series 2014, School Refunding and Improvement	0	117,215,000	0	117,215,000	0
	<u>\$ 37,335,000</u>	<u>\$ 117,215,000</u>	<u>\$ 12,665,000</u>	<u>\$ 141,885,000</u>	<u>\$ 1,030,315</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through the maturity are as follows:

Year	General Obligation Principal	Interest	Total
2015	\$ 6,100,000	\$ 4,173,262	\$ 10,273,262
2016	6,095,000	5,484,484	11,579,484
2017	6,135,000	5,343,558	11,478,558
2018	6,380,000	5,223,825	11,603,825
2019	6,475,000	5,096,687	11,571,687
2020-2024	26,365,000	21,974,563	48,339,563
2025-2029	33,580,000	14,651,838	48,231,838
2030-2034	41,375,000	6,749,144	48,124,144
2035	9,380,000	211,050	9,591,050
	<u>\$ 141,885,000</u>	<u>\$ 68,908,411</u>	<u>\$ 210,793,411</u>

The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2014, the statutory limit for the District was \$60,653,491 which the District has exceed but this has been approved by the State. The District has defeased a portion of the 2005 series debt in the amount of \$6,700,000 through the use of bond proceeds from bond issued in 2014.

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE H. LONG-TERM DEBT - continued

Operating Leases

The District conducts a portion of its operations utilizing operating leases for copiers and buildings. Lease terms expire at various times. Current year rental payments under operating leases were \$318,283. Minimum future rental payments under operating leases as of June 30, 2014 are as follows:

June 30,	Equipment	Buildings	Total
2015	\$ 276,373	\$ 11,301	\$ 287,674
2016	59,309	9,301	68,610
2017	56,239	9,300	65,539
2018	56,239	9,300	65,539
2019	6,029	7,750	13,779
	<u>\$ 454,189</u>	<u>\$ 46,952</u>	<u>\$ 501,141</u>

NOTE I. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General fund	Special education	K.S.A. 72-6428	\$ 6,879,939
General fund	At-Risk (K-12)	K.S.A. 72-6428	8,145,167
General fund	At-Risk (4 year old)	K.S.A. 72-6428	195,936
Capital Projects	Bond & Interest	K.S.A. 72-6428	7,706,075
Supplemental general	Bilingual education	K.S.A. 72-6433	1,063,883
Supplemental general	Food service	K.S.A. 72-6433	167,000
Supplemental general	Professional development	K.S.A. 72-6433	372,200
Supplemental general	Parent education program	K.S.A. 72-6433	51,534
Supplemental general	Special education	K.S.A. 72-6433	2,766,655
Supplemental general	Vocational education	K.S.A. 72-6433	596,396

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2014, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 1998. The District's contribution is \$400 per month for a single policy and \$400 per month for a family policy per employee. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrators acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Blue Shield of Kansas, a commercial insurer licensed or eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$75,000 and with aggregate stop loss insurance at 115% of annualized expected claims.

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance - continued

Incurred but not reported claimed: Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonable estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	Balance July 1, 2013	Claims	Payments	Balance June 30, 2014
Incurred but not reported claims	\$ 1,175,930	\$ 7,893,815	\$ (7,893,815)	\$ 1,175,930

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid. The District's policies regarding vacation pay permits full-time, 12-month, classified employees to earn vacation days based upon years of service. Depending on job classifications, employees must use their vacation within 12 months or are allowed to carryover 15 days to be used in the following year. Classified employees are entitled to 12 days of sick leave per year that can be accumulated to a maximum of 120 days. Classified employees with fifteen or more years of service with the District shall received compensation for days of unused accumulated leave at the rate of \$25 per day. This payment shall be made if the employee leaves the District as the result of retirement, death or termination of employment. All certified personnel are credited annually with 10 days of leave at full pay. The unused portion of leave may also be accumulated from year to year to a maximum of 120 days. Certified employees with fifteen or more years of service with the District shall receive compensation for days of unused accumulated leave upon resignation, retirement, or death at a rate of \$25 per day. All administrators can accumulate a maximum of 140 days, which is compensated at the rate of \$25 per day. Certified personnel are credited with three days of discretionary leave annually. Certified personnel with 45 days of accumulated discretionary leave at the end of the school year will receive one additional discretionary leave day for the next school year.

	Balance July 1, 2013	Net Change	Balance June 30, 2014
Compensated absences	\$ 869,706	\$ 75,371	\$ 945,077

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE K: PENSION PLANS

Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy - K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employer share.

Defined Contribution Plan

District has established a defined contribution pension plan in accordance with the provisions of section 403(b) of the Internal Revenue Code. The District contributes \$1,000 per contract year for each full time, eligible participant into the participant's Employer Paid Account. Contributions are prorated for participants who work less than full time and/or are employed for less than a full contract year. Eligible employees include Certified Teachers and Administrators. Employer paid contributions are subject to a 15-year vesting schedule. Participants may voluntarily contribute, on a pre-tax basis, from their salary, to their Employee Paid Account. Costs of the plan were \$786,200 and \$779,979 for fiscal years ended June 30, 2014 and 2013, respectively. Plan forfeitures for non-vested employees were \$273,584 and \$151,854 for the fiscal years ended June 30, 2014 and 2013, respectively and were used to offset plan expenditures.

Phase Out Option: Upon retirement, eligible teachers may choose to relinquish the portion of the vested amount in their Employer Paid Account (see above) equal to the amount that would have been in their account had they invested in the Moderate Investment track and thereby participate in the Phase Out Option plan. Eligibility for the Phase Out Option is teachers who:

- a) were employed as a full time teacher in a certified position by USD #305 during the 2001-02 contract year,
- b) have 15 years or more of full time employment as a teacher in a certified position with USD #305 (uninterrupted by any other employment) immediately prior to their retirement,
- c) will be less than the age for full Social Security retirement as of August 31 of the year they plan to retire,
- d) retire prior to the 2018-19 contract year,
- e) have a combined total of age plus credited years of service in KPERS that is equal to or greater than 85,
or
- f) meets the requirements of a), b), c) and d) above and are not less than 60 years of age by August 31 the year they retire.

The Phase Out Option plan is an unfunded, contributory, defined benefit plan. Current year costs of the plan were \$290,012. Benefits expected to be paid for the next five fiscal years are as follows: \$287,000 for June 30, 2015, \$266,000 for June 30, 2016, \$175,000 for June 30, 2017, \$168,000 for June 30, 2018 and \$154,000 for June 30, 2019.

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE L. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE M. OTHER INFORMATION

Reimbursed Expenses: The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20th, and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws other available funds from the County Treasurer at designated times through out the year.

Related Party Transactions: The Salina Education Foundation is a component unit of the District. The Foundation is a not-for-profit organization formed for the education purposes of funding programs, gifts, loans or other assistance for the benefit of the District and its students and employees. During year ended June 30, 2014, the District received funding from the Foundation in the amount of \$28,758. Additionally, the District disbursed \$6,725 to the Foundation.

Compliance with Kansas Statutes: The federal grants ended the year with a negative cash balance of \$(144,725) and an unencumbered cash balance of \$(230,623) which is in violation of K.S.A. 10-1113.

The negative balances were due to year end encumbrances. These grants have funding which is still available and will be received in the year ended June 30, 2015. Management is not aware of any other statutory violations for the period covered by the audit.

Legal Contingency: On or about September 12, 1966, the United States transferred property at the former Schilling Air Force Base to USD 305. That property, where the Salina Area Technical College is now located, as well as much of the former Schilling Air Force Base, is now known to contain soil and groundwater contamination resulting from the use and disposal of chlorinated solvents during military operations at the former base from 1941-1965. Under federal law, the liability for cleanup of the contamination falls broadly on those causing the contamination as well as former and current owners of the contaminated property. Because it is a current owner of the contaminated property, USD 305 is considered potentially liable as a property owner. Though potentially liable, the District denies it contributed in any way to the contamination and believes it has significant defenses to liability.

In 2007, USD 305 joined with other potentially responsible public entities (as owners of property at the former Schilling Air Force Base transferred to them by the United States), i.e. the Salina Airport Authority, the City of Salina, Kansas and Kansas State University at Salina (all collectively the "public entities") to initiate negotiations with the U.S. government for the purpose of resolving the ultimate responsibility for the contamination cleanup at the former Schilling Base. In May of 2010, the public entities filed suit against the U.S., among other reasons, to avoid a statute of limitations problem during continuing negotiations.

Salina Unified School District Number 305

NOTES TO FINANCIAL STATEMENTS

For year ended June 30, 2014

NOTE M. OTHER INFORMATION – continued

Legal Contingency – continued. The ongoing negotiations resulted in a partial settlement agreement which was approved by the U.S. District Court for the District of Kansas in a consent decree entered May 2, 2013. Pursuant to that agreement the U.S. paid 90% of the cost of a now, on-going, remedial investigation/feasibility study which will result in a Corrective Action Decision (CAD) by the Kansas Department of Health and Environment (KDHE). By agreement, the remaining 10% of that cost was paid by the City of Salina. Though ultimately USD 305 is potentially liable for portions of the cleanup given its status as property owner, USD 305 denies it contributed in any way to the contamination and believes it has significant defenses to liability. Any potential liability to USD 305 would be minimal compared to the overall costs of implementing the CAD, however, even an insignificant portion of the total costs could be material to USD 305.

Trust agreement: The Stewart Library Endowment is an endowment set up by proceeds from LeVoy C. Nelson estate. According to the agreement with the estate the District has set up this endowment for the benefit of the Stewart Elementary Library. According to the agreement the District may use the earnings on the principal (but not the principal) for improvements to the Library.

NOTE N. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through September 15, 2014, the date the financial statements were available to be issued. See note G. for projects which have been funded through the bond issue of 2014.

The District is currently awaiting the State's assessment of the District's share of the KPERS liability as required under the new GASB pronouncements. The liability will be computed on information provided by the State from 2014 data and will be recorded in 2015.

**Required Regulatory Basis
Supplementary Information**

Salina Unified School District Number 305

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(Budgeted Funds Only)
For the Year Ended June 30, 2014

	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max *</u>
Governmental type funds		
General funds		
General	\$ 43,970,815	\$ (575,317)
Supplemental general	14,773,308	(31,017)
Special revenue funds		
Salina Adult Education Center	540,000	0
At-Risk (4 year old)	200,000	0
At-Risk (K-12)	8,217,800	0
Bilingual education	1,100,000	0
Capital outlay	6,400,000	0
Driver training	27,400	0
Food service	4,138,100	0
Professional development	541,500	0
Parent education	139,000	0
Summer school	27,500	0
Special education	10,440,331	0
Vocational education	815,000	0
KPERs Special retirement contribution fund	6,599,209	0
Cooperative Special Education	23,250,000	0
Debt service fund		
Bond and interest	6,995,315	0

* See definitions at Note II-A

See Independent Auditor's Report.

Schedule 1

<u>Adjustment for Qualifying Budget Credits *</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
\$ 484,755	\$ 43,880,253	\$ 43,880,253	\$ 0
0	14,742,291	14,742,291	0
0	540,000	463,011	(76,989)
0	200,000	195,936	(4,064)
0	8,217,800	8,163,065	(54,735)
0	1,100,000	1,063,883	(36,117)
0	6,400,000	2,379,904	(4,020,096)
0	27,400	12,368	(15,032)
0	4,138,100	3,746,809	(391,291)
0	541,500	372,171	(169,329)
0	139,000	130,951	(8,049)
0	27,500	15,160	(12,340)
0	10,440,331	9,588,424	(851,907)
0	815,000	596,396	(218,604)
0	6,599,209	6,080,154	(519,055)
0	23,250,000	22,543,048	(706,952)
0	6,995,315	6,995,315	0

Salina Unified School District Number 305

Schedule 2a

GENERAL FUNDS
GENERAL

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Local sources					
Ad valorem tax	\$ 7,565,261	\$ 7,501,827	\$ 7,213,786	\$ 288,041	
Delinquent tax	154,277	203,452	117,733	85,719	
Reimbursements					
Participation fees	84,431	82,710	0	82,710	
Other	171,747	169,462	0	169,462	
County sources					
In lieu of taxes	25,131	3,794	0	3,794	
State sources					
General state aid	28,342,484	28,805,696	29,204,776	(399,080)	
Mineral production tax	414	790	0	790	
Special education aid	6,933,347	6,879,939	7,434,520	(554,581)	
Juvenile detention (reimbursement)	330,068	232,583	0	232,583	
Total cash receipts	<u>43,607,160</u>	<u>43,880,253</u>	<u>\$ 43,970,815</u>	<u>\$ (90,562)</u>	
Expenditures					
Instruction	10,602,935	10,280,415	\$ 10,290,424	\$ (10,009)	
Student support services	2,539,664	2,560,929	2,567,363	(6,434)	
Instructional staff support services	1,614,883	1,627,284	1,635,335	(8,051)	
General administration	505,760	435,903	514,290	(78,387)	
School administration	2,788,163	2,788,410	2,857,612	(69,202)	
Operations and maintenance	6,835,652	6,972,906	6,863,762	109,144	
Student transportation services	940,908	1,002,823	994,572	8,251	
Other supplemental service	3,028,958	2,990,541	3,016,000	(25,459)	
Operating transfers	14,750,237	15,221,042	15,231,457	(10,415)	
Adjustment to comply with legal max	<u>0</u>	<u>0</u>	<u>(575,317)</u>	<u>575,317</u>	
Legal general fund budget and expenditures	<u>43,607,160</u>	<u>43,880,253</u>	<u>43,395,498</u>	<u>484,755</u>	
Adjustment for qualifying budget credits	<u>0</u>	<u>0</u>	<u>484,755</u>	<u>(484,755)</u>	
Total expenditures	<u>43,607,160</u>	<u>43,880,253</u>	<u>\$ 43,880,253</u>	<u>\$ 0</u>	
Receipts over (under) expenditures	0	0			
Unencumbered cash, July 1	<u>0</u>	<u>0</u>			
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>			

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over (Under)
Cash receipts				
Local sources				
Ad valorem tax	\$ 8,550,293	\$ 8,280,431	\$ 7,766,393	\$ 514,038
Delinquent tax	179,002	231,692	133,281	98,411
County sources				
Motor vehicle tax	990,383	1,020,570	964,655	55,915
Recreational vehicle tax	12,716	13,190	13,767	(577)
In lieu of taxes	25,962	3,813	0	3,813
State sources				
Supplemental state aid	4,985,391	5,014,114	4,942,292	71,822
Total cash receipts	<u>14,743,747</u>	<u>14,563,810</u>	<u>\$ 13,820,388</u>	<u>\$ 743,422</u>
Expenditures				
Instruction	9,104,681	9,377,014	\$ 9,257,924	\$ 119,090
Instructional staff support services	302,035	310,115	322,850	(12,735)
Other supplemental service	39,475	37,494	41,000	(3,506)
Operating transfers	5,148,215	5,017,668	5,151,534	(133,866)
Adjustment to comply with legal max	<u>0</u>	<u>0</u>	<u>(31,017)</u>	<u>31,017</u>
Total expenditures	<u>14,594,406</u>	<u>14,742,291</u>	<u>\$ 14,742,291</u>	<u>\$ 0</u>
Receipts over (under) expenditures	149,341	(178,481)		
Unencumbered cash, July 1	<u>803,580</u>	<u>952,921</u>		
Unencumbered cash (deficit), June 30	\$ <u>952,921</u>	\$ <u>774,440</u>		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2c

SPECIAL PURPOSE FUNDS
SALINA ADULT EDUCATION CENTER

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Local sources					
Ad valorem tax	\$ 207,051	\$ 205,795	\$ 198,553	\$ 7,242	
Delinquent tax	4,450	5,735	3,230	2,505	
Reimbursements	1,040	776	0	776	
Other	21,893	13,471	22,000	(8,529)	
County sources					
Motor vehicle tax	25,027	24,417	23,074	1,343	
Recreational vehicle tax	322	315	329	(14)	
In lieu of tax	625	95	0	95	
State sources					
Adult basic aid	72,102	69,360	69,360	0	
Federal sources					
Adult education aid	153,150	114,635	97,520	17,115	
Total cash receipts	<u>485,660</u>	<u>434,599</u>	<u>\$ 414,066</u>	<u>\$ 20,533</u>	
Expenditures					
Instruction	338,318	282,036	\$ 343,100	\$ (61,064)	
Instructional staff support services	83,164	90,198	101,200	(11,002)	
School administration	70,199	70,938	85,000	(14,062)	
Operations and maintenance	5,115	17,480	10,700	6,780	
Other supplemental services	6,960	2,359	0	2,359	
Total expenditures	<u>503,756</u>	<u>463,011</u>	<u>\$ 540,000</u>	<u>\$ (76,989)</u>	
Receipts over (under) expenditures	(18,096)	(28,412)			
Unencumbered cash, July 1	<u>317,953</u>	<u>299,857</u>			
Unencumbered cash, June 30	<u>\$ 299,857</u>	<u>\$ 271,445</u>			

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 2d****SPECIAL PURPOSE FUNDS
AT-RISK (4 YEAR OLD)****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS****For the Year Ended June 30, 2014****(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)**

	2013 Actual	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Other				
Operating transfers	\$ 191,942	\$ 195,936	\$ 200,000	\$ (4,064)
Expenditures				
Instruction	164,881	167,180	\$ 170,000	\$ (2,820)
Student support services	4,191	5,094	5,000	94
Student transportation services	22,870	23,662	25,000	(1,338)
Total expenditures	191,942	195,936	\$ 200,000	\$ (4,064)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2e

SPECIAL PURPOSE FUNDS
AT-RISK (K-12)

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Local sources					
Tuition	\$ 19,721	\$ 17,898	\$ 0	\$ 17,898	
Other	134	0	0	0	
Other					
Operating transfers	<u>7,517,107</u>	<u>8,145,167</u>	<u>7,596,937</u>	<u>548,230</u>	
Total cash receipts	<u>7,536,962</u>	<u>8,163,065</u>	<u>\$ 7,596,937</u>	<u>\$ 566,128</u>	
Expenditures					
Instruction	7,238,012	7,733,249	\$ 7,673,100	\$ 60,149	
Student support services	263,296	260,524	334,600	(74,076)	
School administration	36,236	129,267	129,600	(333)	
Operations & Maintenance	0	9,507	40,000	(30,493)	
Student transportation services	<u>38,543</u>	<u>30,518</u>	<u>40,500</u>	<u>(9,982)</u>	
Total expenditures	<u>7,576,087</u>	<u>8,163,065</u>	<u>\$ 8,217,800</u>	<u>\$ (54,735)</u>	
Receipts over (under) expenditures	(39,125)	0			
Unencumbered cash, July 1	<u>1,000,035</u>	<u>960,910</u>			
Unencumbered cash, June 30	<u>\$ 960,910</u>	<u>\$ 960,910</u>			

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 2f****SPECIAL PURPOSE FUNDS
BILINGUAL EDUCATION****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Other				
Operating transfers	\$ 958,207	\$ 1,063,883	\$ 1,100,000	\$ (36,117)
Expenditures				
Instruction	958,207	1,063,883	\$ 1,100,000	\$ (36,117)
Total expenditures	958,207	1,063,883	\$ 1,100,000	\$ (36,117)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2g

SPECIAL PURPOSE FUNDS
CAPITAL OUTLAY

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Local sources					
Ad valorem tax	\$ 2,484,627	\$ 2,469,138	\$ 2,382,628	\$ 86,510	
Delinquent tax	53,148	68,768	38,757	30,011	
Interest on idle funds	69,305	67,606	75,000	(7,394)	
Other	1,053,376	327,541	500,000	(172,459)	
County sources					
Motor vehicle tax	300,356	293,070	277,253	15,817	
Recreational vehicle tax	3,862	3,789	3,957	(168)	
In lieu of tax	21,307	1,138	0	1,138	
Total cash receipts	<u>3,985,981</u>	<u>3,231,050</u>	<u>\$ 3,277,595</u>	<u>\$ (46,545)</u>	
Expenditures					
Instruction	2,250,900	1,647,367	\$ 3,000,000	\$ (1,352,633)	
Instructional support	0	46,995	0	46,995	
Operations and maintenance	106,983	87,565	350,000	(262,435)	
Facility acquisition & construction services	<u>3,406,331</u>	<u>597,977</u>	<u>3,050,000</u>	<u>(2,452,023)</u>	
Total expenditures	<u>5,764,214</u>	<u>2,379,904</u>	<u>\$ 6,400,000</u>	<u>\$ (4,020,096)</u>	
Receipts over (under) expenditures	(1,778,233)	851,146			
Unencumbered cash, July 1	<u>9,252,280</u>	<u>7,474,047</u>			
Unencumbered cash, June 30	\$ <u>7,474,047</u>	\$ <u>8,325,193</u>			

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2h

**SPECIAL PURPOSE FUNDS
DRIVER TRAINING**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over (Under)
Cash receipts				
Local sources				
Other	\$ 8,883	\$ 11,800	\$ 12,000	\$ (200)
State sources				
State safety aid	<u>5,580</u>	<u>4,250</u>	<u>5,865</u>	<u>(1,615)</u>
Total cash receipts	<u>14,463</u>	<u>16,050</u>	\$ <u>17,865</u>	\$ <u>(1,815)</u>
Expenditures				
Instruction	15,591	11,139	\$ 26,000	\$ (14,861)
Vehicle operations	<u>1,336</u>	<u>1,229</u>	<u>1,400</u>	<u>(171)</u>
Total expenditures	<u>16,927</u>	<u>12,368</u>	\$ <u>27,400</u>	\$ <u>(15,032)</u>
Receipts over (under) expenditures	(2,464)	3,682		
Unencumbered cash, July 1	<u>14,658</u>	<u>12,194</u>		
Unencumbered cash, June 30	\$ <u>12,194</u>	\$ <u>15,876</u>		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2i

SPECIAL PURPOSE FUNDS
FOOD SERVICE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		Variance Over (Under)	
	2013 Actual	Actual	Budget		
Cash receipts					
Local sources					
Food service	\$ 1,041,858	\$ 981,230	\$ 1,051,650	\$ (70,420)	
Other	50,804	46,411	60,000	(13,589)	
State sources					
School food assistance	40,407	41,030	38,000	3,030	
Federal sources					
Child nutrition programs	2,384,243	2,489,470	2,405,821	83,649	
Other grants	4,910	2,760	0	2,760	
After school snacks	15,271	19,414	0	19,414	
Other sources					
Operating transfers	282,000	167,000	275,000	(108,000)	
Total cash receipts	<u>3,819,493</u>	<u>3,747,315</u>	<u>\$ 3,830,471</u>	<u>\$ (83,156)</u>	
Expenditures					
Operations and maintenance	37,295	37,739	\$ 40,000	\$ (2,261)	
Food service operations	<u>3,782,388</u>	<u>3,709,070</u>	<u>4,098,100</u>	<u>(389,030)</u>	
Total expenditures	<u>3,819,683</u>	<u>3,746,809</u>	<u>\$ 4,138,100</u>	<u>\$ (391,291)</u>	
Receipts over (under) expenditures	(190)	506			
Unencumbered cash, July 1	<u>518,286</u>	<u>518,096</u>			
Unencumbered cash, June 30	\$ <u>518,096</u>	\$ <u>518,602</u>			

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2i

SPECIAL PURPOSE FUNDS
PROFESSIONAL DEVELOPMENT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>2014</u>		
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Local sources				
Other	\$ 0	\$ 49	\$ 0	\$ 49
Other				
Operating transfers	<u>543,000</u>	<u>372,200</u>	<u>450,000</u>	<u>(77,800)</u>
Total cash receipts	<u>543,000</u>	<u>372,249</u>	\$ <u>450,000</u>	\$ <u>(77,751)</u>
Expenditures				
Instructional staff support services	<u>543,509</u>	<u>372,171</u>	\$ <u>541,500</u>	\$ <u>(169,329)</u>
Receipts over (under) expenditures	(509)	78		
Unencumbered cash, July 1	<u>256,021</u>	<u>255,512</u>		
Unencumbered cash, June 30	\$ <u>255,512</u>	\$ <u>255,590</u>		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2k

**SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2014			
	2013 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Local sources	\$ 0	\$ 134	\$ 0	\$ 134
Other				
State sources				
Parent education aid	79,283	79,283	79,283	0
Other				
Operating transfers	51,534	51,534	51,534	0
Total cash receipts	130,817	130,951	\$ 130,817	\$ 134
Expenditures				
Student support services	130,499	130,836	\$ 139,000	\$ (8,164)
Instructional staff support services	318	115	0	115
Total expenditures	130,817	130,951	\$ 139,000	\$ (8,049)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	51,534	51,534		
Unencumbered cash, June 30	\$ 51,534	\$ 51,534		

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 21****SPECIAL PURPOSE FUNDS
SUMMER SCHOOL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS****For the Year Ended June 30, 2014****(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)**

	2013 Actual	2014		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Tuition	\$ 15,215	\$ 16,327	\$ 15,000	\$ 1,327
Total cash receipts	15,215	16,327	\$ 15,000	\$ 1,327
Expenditures				
Instruction	13,552	15,160	\$ 27,500	\$ (12,340)
Total expenditures	13,552	15,160	\$ 27,500	\$ (12,340)
Receipts over (under) expenditures	1,663	1,167		
Unencumbered cash, July 1	24,381	26,044		
Unencumbered cash, June 30	\$ 26,044	\$ 27,211		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2m

SPECIAL PURPOSE FUNDS
SPECIAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Other	\$ 5,892	\$ 1,829	\$ 6,000	\$ (4,171)
Other				
Operating transfers	<u>9,533,347</u>	<u>9,646,594</u>	<u>9,934,520</u>	<u>(287,926)</u>
Total cash receipts	<u>9,539,239</u>	<u>9,648,423</u>	<u>\$ 9,940,520</u>	<u>\$ (292,097)</u>
Expenditures				
Instruction	8,351,110	8,591,007	\$ 9,335,026	\$ (744,019)
Special area administrative services	19,092	20,641	22,250	(1,609)
Student transportation services	<u>1,021,183</u>	<u>976,776</u>	<u>1,083,055</u>	<u>(106,279)</u>
Total expenditures	<u>9,391,385</u>	<u>9,588,424</u>	<u>\$ 10,440,331</u>	<u>\$ (851,907)</u>
Receipts over (under) expenditures	147,854	59,999		
Unencumbered cash, July 1	<u>3,669,917</u>	<u>3,817,771</u>		
Unencumbered cash, June 30	\$ <u>3,817,771</u>	\$ <u>3,877,770</u>		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2n

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Other				
Operating transfers	\$ 713,474	\$ 596,396	\$ 775,000	\$ (178,604)
Expenditures				
Instruction	563,474	596,396	\$ 815,000	\$ (218,604)
Receipts over (under) expenditures	150,000	0		
Unencumbered cash, July 1	0	150,000		
Unencumbered cash, June 30	\$ 150,000	\$ 150,000		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2o

SPECIAL PURPOSE FUNDS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013 Actual	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
State sources				
KPERS	\$ 5,453,892	\$ 6,080,154	\$ 6,599,209	\$ (519,055)
Expenditures				
Instruction	3,604,760	4,047,906	\$ 4,351,503	\$ (303,597)
Student support services	547,811	606,751	667,821	(61,070)
Instructional staff support services	416,138	438,469	516,326	(77,857)
General administration	71,489	84,935	98,543	(13,608)
School administration	235,072	268,313	283,213	(14,900)
Other supplemental services	148,093	169,362	178,966	(9,604)
Student transportation	1,898	2,250	324,375	(322,125)
Operations and maintenance	281,743	297,912	2,293	295,619
Food service	146,888	164,256	176,169	(11,913)
Total expenditures	5,453,892	6,080,154	\$ 6,599,209	\$ (519,055)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2p

SPECIAL PURPOSE FUNDS
CENTRAL KANSAS COOPERATIVE IN EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Local sources				
Payments from other districts/govt sources	\$ 16,986,797	\$ 17,336,636	\$ 17,447,800	\$ (111,164)
Other	90,479	126,300	90,000	36,300
State sources				
Medicaid	1,011,202	852,537	1,010,000	(157,463)
Federal sources				
Other grants	3,104,930	3,083,223	3,083,223	0
Total cash receipts	<u>21,193,408</u>	<u>21,398,696</u>	<u>\$ 21,631,023</u>	<u>\$ (232,327)</u>
Expenditures				
Instruction	16,167,406	16,448,357	\$ 16,882,299	\$ (433,942)
Student support services	4,660,684	4,829,121	4,812,000	17,121
Instructional staff support services	638,269	539,310	660,200	(120,890)
Special area administrative services	785,763	656,005	830,150	(174,145)
Operations and maintenance	60,496	70,255	65,351	4,904
Total expenditures	<u>22,312,618</u>	<u>22,543,048</u>	<u>\$ 23,250,000</u>	<u>\$ (706,952)</u>
Receipts over (under) expenditures	(1,119,210)	(1,144,352)		
Unencumbered cash, July 1	<u>4,017,157</u>	<u>2,897,947</u>		
Unencumbered cash, June 30	<u>\$ 2,897,947</u>	<u>\$ 1,753,595</u>		

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 2g****SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS****For the Year Ended June 30, 2014****(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Other		
Operating transfers	\$ 107,841	\$ 0
Expenditures		
Operating transfers	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	107,841	0
Unencumbered cash, July 1	<u>4,194,250</u>	<u>4,302,091</u>
Unencumbered cash, June 30	<u><u>\$ 4,302,091</u></u>	<u><u>\$ 4,302,091</u></u>

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2r

**SPECIAL PURPOSE FUNDS
TEXTBOOK RENTAL**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Local sources		
Rental and other	\$ <u>215,818</u>	\$ <u>203,842</u>
Expenditures		
Instruction	<u>366,161</u>	<u>94,075</u>
Receipts over (under) expenditures	(150,343)	109,767
Unencumbered cash, July 1	<u>490,152</u>	<u>339,809</u>
Unencumbered cash, June 30	\$ <u><u>339,809</u></u>	\$ <u><u>449,576</u></u>

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 2s****SPECIAL PURPOSE FUNDS
HEALTH INSURANCE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Local sources		
Employee paid health insurance	\$ 2,254,119	\$ 2,591,235
Retiree paid health insurance	506,092	553,564
Other	7,910	580
Other sources		
Employer paid health insurance	<u>5,595,750</u>	<u>5,355,450</u>
Total cash receipts	<u>8,363,871</u>	<u>8,500,829</u>
 Expenditures		
Claims and administrative services	<u>10,564,382</u>	<u>9,293,426</u>
Receipts over (under) expenditures	(2,200,511)	(792,597)
Unencumbered cash and investments, July 1	<u>11,517,773</u>	<u>9,317,262</u>
Unencumbered cash and investments, June 30	<u>\$ 9,317,262</u>	<u>\$ 8,524,665</u>

Salina Unified School District Number 305**Schedule 2t****SPECIAL PURPOSE FUNDS
RETIREMENT PLAN****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Local sources		
Interest on idle funds	\$ 4,175	\$ 0
Other sources		
Employer paid retirement contributions	<u>858,246</u>	<u>777,582</u>
Total cash receipts	<u>862,421</u>	<u>777,582</u>
 Expenditures		
Retirement payments & administrative services	<u>961,781</u>	<u>802,628</u>
Receipts over (under) expenditures	(99,360)	(25,046)
Unencumbered cash and investments, July 1	<u>1,319,801</u>	<u>1,220,441</u>
Unencumbered cash and investments, June 30	<u>\$ 1,220,441</u>	<u>\$ 1,195,395</u>

See Independent Auditor's Report.

Salina Unified School District Number 305

SPECIAL PURPOSE FUNDS
FEDERAL GRANTS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Federal</u>	<u>Kansas Early Head Start/ Head Start</u>	<u>Head Start Summer Food</u>	<u>Summer Food</u>
Cash receipts				
Sources				
Local	\$ 195,015	\$ 0	\$ 370	\$ 1,303
State	37,198	51,265	0	1,800
Federal	<u>4,183,647</u>	<u>983,916</u>	<u>8,543</u>	<u>107,762</u>
Total cash receipts	<u>4,415,860</u>	<u>1,035,181</u>	<u>8,913</u>	<u>110,865</u>
Expenditures				
Instruction	1,967,323	652,434	0	0
Student support services	362,101	95,432	0	0
Instructional staff support services	1,639,006	263,048	0	0
General administration	5,125	0	0	0
School administration	119,749	1,820	0	0
Operations & maintenance	164,459	0	0	13,985
Student transportation services	60,783	0	0	0
Other supplemental services	21,536	0	0	0
Food service operation	<u>16,435</u>	<u>0</u>	<u>10,353</u>	<u>90,236</u>
Total expenditures	<u>4,356,517</u>	<u>1,012,734</u>	<u>10,353</u>	<u>104,221</u>
Receipts over (under) expenditures	59,343	22,447	(1,440)	6,644
Unencumbered cash (deficit), July 1	<u>(130,277)</u>	<u>(168,370)</u>	<u>5,664</u>	<u>13,501</u>
Unencumbered cash (deficit), June 30	<u>\$ (70,934)</u>	<u>\$ (145,923)</u>	<u>\$ 4,224</u>	<u>\$ 20,145</u>

See Independent Auditor's Report.

CACFP Breakfast & Snacks	Title I	Title I Carryover	Title I Part D	Title I School Improvement	Title II-A	Title III
\$ 410	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
<u>213,908</u>	<u>1,421,508</u>	<u>410,038</u>	<u>98,784</u>	<u>50,716</u>	<u>353,985</u>	<u>45,471</u>
<u>214,318</u>	<u>1,421,508</u>	<u>410,038</u>	<u>98,784</u>	<u>50,716</u>	<u>353,985</u>	<u>45,471</u>
0	1,277,178	399,879	98,784	37,407	0	45,471
0	86,930	8,945	0	0	0	0
0	19,731	1,214	0	7,686	314,362	0
0	88,803	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	5,622	0	0	4,203	0	0
0	0	0	0	0	0	0
<u>215,849</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>215,849</u>	<u>1,478,264</u>	<u>410,038</u>	<u>98,784</u>	<u>49,296</u>	<u>314,362</u>	<u>45,471</u>
(1,531)	(56,756)	0	0	1,420	39,623	0
<u>57,818</u>	<u>(32,157)</u>	<u>0</u>	<u>0</u>	<u>(1,420)</u>	<u>(40,136)</u>	<u>0</u>
<u>\$ 56,287</u>	<u>\$ (88,913)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (513)</u>	<u>\$ 0</u>

Salina Unified School District Number 305

**SPECIAL PURPOSE FUNDS
FEDERAL GRANTS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Title IV Oakdale	Title IV Sunset	Title VI-B	Migrant	USD Perkins
Cash receipts					
Sources					
Local	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State	0	0	0	0	0
Federal	<u>126,660</u>	<u>67,332</u>	<u>111,383</u>	<u>25,000</u>	<u>85,769</u>
Total cash receipts	<u>126,660</u>	<u>67,332</u>	<u>111,383</u>	<u>25,000</u>	<u>85,769</u>
Expenditures					
Instruction	95,389	61,241	111,383	25,000	75,414
Student support services	10,606	0	0	0	0
Instructional staff support services	0	844	0	0	10,355
General administration	6,474	3,049	0	0	0
School administration	0	0	0	0	0
Operations & maintenance	0	0	0	0	0
Student transportation services	7,277	3,249	0	0	0
Other supplemental services	0	0	0	0	0
Food service operation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>119,746</u>	<u>68,383</u>	<u>111,383</u>	<u>25,000</u>	<u>85,769</u>
Receipts over (under) expenditures	6,914	(1,051)	0	0	0
Unencumbered cash (deficit), July 1	<u>(6,914)</u>	<u>(3,945)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered cash (deficit), June 30	<u>\$ 0</u>	<u>\$ (4,996)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Auditor's Report.

Schedule 2u

<u>Community Solutions</u>	<u>Totals June 30, 2014</u>	<u>Totals June 30, 2013</u>
\$ 0	\$ 197,098	\$ 280,660
0	90,263	110,593
<u>13,404</u>	<u>8,307,826</u>	<u>8,631,611</u>
<u>13,404</u>	<u>8,595,187</u>	<u>9,022,864</u>
0	4,846,903	4,926,764
0	564,014	484,673
0	2,256,246	2,543,471
0	103,451	104,874
0	121,569	163,156
0	178,444	142,841
0	81,134	54,126
0	21,536	19,080
<u>0</u>	<u>332,873</u>	<u>337,456</u>
<u>0</u>	<u>8,506,170</u>	<u>8,776,441</u>
13,404	89,017	246,423
<u>(13,404)</u>	<u>(319,640)</u>	<u>(566,063)</u>
<u>\$ 0</u>	<u>\$ (230,623)</u>	<u>\$ (319,640)</u>

Salina Unified School District Number 305

**SPECIAL PURPOSE FUNDS
STATE AND LOCAL GRANTS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Career & Technical Education	Marathon Grants	Other Grants	Turf Replacement Fund	Social Worker Overcoming Barriers
Cash receipts					
Sources					
Local	\$ 0	\$ 31,421	\$ 109,951	\$ 6,725	\$ 0
State	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total cash receipts	<u>0</u>	<u>31,421</u>	<u>109,951</u>	<u>6,725</u>	<u>0</u>
Expenditures					
Instruction	0	29,308	104,267	0	0
Student support services	0	0	0	0	550
Instructional staff support services	0	0	0	0	0
School administration	0	0	0	0	0
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>29,308</u>	<u>104,267</u>	<u>0</u>	<u>550</u>
Receipts over (under) expenditures	0	2,113	5,684	6,725	(550)
Unencumbered cash (deficit), July 1	<u>12,000</u>	<u>22,957</u>	<u>16,050</u>	<u>78,925</u>	<u>3,355</u>
Unencumbered cash (deficit), June 30	<u>\$ 12,000</u>	<u>\$ 25,070</u>	<u>\$ 21,734</u>	<u>\$ 85,650</u>	<u>\$ 2,805</u>

See Independent Auditor's Report.

Schedule 2v

<u>Mental Health</u>	<u>Heusner Reading</u>	<u>Teacher Leadership Academy</u>	<u>Project CLLICK</u>	<u>Deaf and Blind</u>	<u>Non-Federal Head Start</u>
\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 96,430
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,115</u>	<u>540</u>	<u>0</u>
<u>75,000</u>	<u>0</u>	<u>0</u>	<u>1,115</u>	<u>540</u>	<u>96,430</u>
0	13,646	0	0	540	430
0	0	0	0	0	55,332
87,087	0	133	4,307	0	40,607
0	0	0	0	0	50
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>87,087</u>	<u>13,646</u>	<u>133</u>	<u>4,307</u>	<u>540</u>	<u>96,419</u>
(12,087)	(13,646)	(133)	(3,192)	0	11
<u>19,362</u>	<u>13,646</u>	<u>18,092</u>	<u>7,679</u>	<u>0</u>	<u>30,685</u>
\$ <u><u>7,275</u></u>	\$ <u><u>0</u></u>	\$ <u><u>17,959</u></u>	\$ <u><u>4,487</u></u>	\$ <u><u>0</u></u>	\$ <u><u>30,696</u></u>

Salina Unified School District Number 305

Schedule 2v

SPECIAL PURPOSE FUNDS
STATE AND LOCAL GRANTS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Student Leadership</u>	<u>Opportunity Now</u>	<u>Totals June 30, 2014</u>	<u>Totals June 30, 2013</u>
Cash receipts				
Sources				
Local	\$ 0	\$ 500	\$ 320,027	\$ 282,558
State	<u>0</u>	<u>0</u>	<u>1,655</u>	<u>71,345</u>
Total cash receipts	<u>0</u>	<u>500</u>	<u>321,682</u>	<u>353,903</u>
Expenditures				
Instruction	0	0	148,191	241,797
Student support services	792	0	56,674	45,227
Instructional staff support services	0	0	132,134	104,553
School administration	0	0	50	786
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,000</u>
Total expenditures	<u>792</u>	<u>0</u>	<u>337,049</u>	<u>400,363</u>
Receipts over (under) expenditures	(792)	500	(15,367)	(46,460)
Unencumbered cash (deficit), July 1	<u>2,135</u>	<u>37</u>	<u>224,923</u>	<u>271,383</u>
Unencumbered cash (deficit), June 30	<u>\$ 1,343</u>	<u>\$ 537</u>	<u>\$ 209,556</u>	<u>\$ 224,923</u>

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 2w

BOND AND INTEREST FUND
BOND AND INTEREST

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
BUDGETARY BASIS

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Ad valorem tax	\$ 4,771,090	\$ 4,740,081	\$ 4,574,231	\$ 165,850
Delinquent tax	110,205	139,312	74,389	64,923
Other	5,501	0	0	0
County sources				
Motor vehicle tax	638,350	574,209	542,628	31,581
Recreational vehicle tax	8,220	7,420	7,744	(324)
In lieu of taxes	14,546	2,185	0	2,185
State sources				
State aid	1,717,959	1,869,170	1,869,170	0
Other				
Operating transfers	0	7,706,075	0	7,706,075
Total cash receipts	<u>7,265,871</u>	<u>15,038,452</u>	<u>\$ 7,068,162</u>	<u>\$ 7,970,290</u>
Expenditures				
Debt service	<u>7,158,165</u>	<u>6,995,315</u>	<u>\$ 6,995,315</u>	<u>\$ 0</u>
Receipts over (under) expenditures	107,706	8,043,137		
Unencumbered cash, July 1	<u>5,606,561</u>	<u>5,714,267</u>		
Unencumbered cash, June 30	<u>\$ 5,714,267</u>	<u>\$ 13,757,404</u>		

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 2x****BOND PROJECT
CAPITAL PROJECTS****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
BUDGETARY BASIS****For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Local sources		
Interest on idle funds	\$ 0	\$ 232
Other		
Reoffer premium and other	0	14,523,725
Bond proceeds	<u>0</u>	<u>117,215,000</u>
Total cash receipts	<u>0</u>	<u>131,738,957</u>
Expenditures		
Issuance costs		
Underwriter discount	0	879,112
Compliance services	0	8,000
Bond counsel	0	104,633
Rating agency fees	0	115,000
Other	0	7,482
Debt services	0	6,700,000
Operating transfers	<u>0</u>	<u>7,706,075</u>
Total expenditures	<u>0</u>	<u>15,520,302</u>
Receipts over (under) expenditures	0	116,218,655
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 116,218,655</u>

See Independent Auditor's Report.

TRUST FUND
STEWART LIBRARYSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
BUDGETARY BASIS
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Sources		
Local	\$ <u>74</u>	\$ <u>101</u>
Total cash receipts	<u>74</u>	<u>101</u>
Expenditures		
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	74	101
Unencumbered cash (deficit), July 1	<u>31,644</u>	<u>31,718</u>
Unencumbered cash (deficit), June 30	<u>\$ 31,718</u>	<u>\$ 31,819</u>

Salina Unified School District Number 305

Schedule 3

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS

REGULATORY BASIS

For the Year Ended June 30, 2014

<u>Fund</u>	<u>Cash Balance June 30, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2014</u>
Student Organizations Accounts				
Central High School				
Alumni postage	\$ 857	\$ 0	\$ 0	\$ 857
Art club	1,760	8,377	8,226	1,911
Basketball Concessions	503	12,798	13,005	296
Health Fund	2	0	0	2
Central High sports	34,126	109,843	101,555	42,414
Cheerleaders	3,548	19,294	15,514	7,328
Class of 2013	841	12,089	0	12,930
Class of 2014	1,499	1,033	1,454	1,078
Class of 2015	1,045	10,973	10,250	1,768
Class of 2016	725	1,591	300	2,016
Class of 2017	12,089	1,591	12,396	1,284
Color guard	478	0	0	478
Conditioning	2,281	2,015	2,280	2,016
Debate	1,637	303	1,292	648
D.E.C.A.	1,122	0	0	1,122
Dramatics club	306	16,511	15,066	1,751
Football Concessions	0	24,319	24,315	4
Foreign language	57	0	0	57
Free spirit singers	924	1,605	862	1,667
Freshman academy	252	0	0	252
Future Farmers of America	2,250	2,529	3,412	1,367
Instrumental music	4,523	66,002	65,723	4,802
National Forensics League	3,712	14,306	10,249	7,769
National Honor Society	812	1,266	1,631	447
Nurse/Healthy Students	3	0	0	3
Orchestra	1,249	11,126	8,677	3,698
Photojournalism	145	1,380	1,412	113
Production fund	2,597	12,609	14,521	685
Pylon	1,179	5,035	5,497	717
Quiz Bowl	256	890	685	461
Renaissance	569	0	0	569
Robotics club	7,176	13,731	11,642	9,265
S.A.D.D.	2,234	0	0	2,234
S.E.L.L.S.	2,560	2,770	1,829	3,501
Spirit council	1,637	2,385	1,962	2,060
Strings 'n things	336	235	234	337
Step team dance	66	0	0	66
Student council	9,784	13,591	14,873	8,502
Trail	4,460	38,118	40,192	2,386
Tri-M	66	0	0	66

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 3

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS

REGULATORY BASIS

For the Year Ended June 30, 2014

Fund	Cash Balance June 30, 2013	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2014
Student Organization Accounts				
Central High School-continued				
Vet club	\$ 2,184	\$ 16,313	\$ 14,777	\$ 3,720
Vocal music	1,044	12,728	12,031	1,741
Subtotal Central High School	112,894	437,356	415,862	134,388
South High School				
Art fund	55	0	0	55
Asian literature grant	154	0	154	0
Band	2	13,786	7,945	5,843
Band, jazz	68	0	0	68
Band uniform cleaning	442	1,384	486	1,340
Big Brothers Big Sisters	628	0	0	628
BPA club	5,083	7,411	6,239	6,255
Cheerleaders	2,955	23,526	18,942	7,539
Class of 2014	1,883	100	1,783	200
Class of 2015	210	1,550	100	1,660
Class of 2016	549	0	94	455
Class of 2017	0	182	74	108
Concessions	965	25,474	25,478	961
Culinary arts	51	355	406	0
Debate/Forensics	1,091	1,056	1,633	514
Drama club	2,495	28,267	29,210	1,552
English Club	23	0	23	0
Enrichment	186	10	10	186
F.C.A	349	0	0	349
FCCLA	54	0	0	54
Flag Team	49	778	671	156
FLC	736	41	228	549
French club	317	0	0	317
Gay Straight Alliance	0	1,093	448	645
Green & Gold	34	0	34	0
Health/human service	310	0	0	310
Industrial arts	39	0	0	39
International cultures club	528	1,291	1,565	254
JAG	0	1,209	1,173	36
Lab Chicks	256	2,650	2,532	374
Latin club	1	0	1	0
Life smarts	946	0	35	911
Teen Builders	1,218	2,608	2,419	1,407

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 3

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended June 30, 2014

Fund	Cash Balance June 30, 2013	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2014
Student Organization Accounts				
South High School-continued				
Multimedia	\$ 210	\$ 174	\$ 0	\$ 384
National Honor Society	1,164	2,317	2,609	872
Orchestra	1,317	665	612	1,370
Peppers	1,465	7,682	7,724	1,423
Physics club	481	0	0	481
Preener	3,283	34,499	30,960	6,822
Productions	7,790	12,364	12,946	7,208
Project Diversity	41	0	0	41
Prom	2,673	10,148	9,954	2,867
Quiz Bowl	1,376	900	897	1,379
Robotics	2,037	446	855	1,628
S.A.D.D.	1,033	0	0	1,033
Science Olympiad	310	64	88	286
SLC	19	0	0	19
South High sports	30,470	93,952	93,173	31,249
Student association	8,807	5,284	5,806	8,285
The Glass house	1,916	621	991	1,546
Tree Huggers	116	0	0	116
Tripodium	734	1,072	618	1,188
Special Ed	1,158	17	204	971
Vocal music	2,462	2,123	2,212	2,373
Subtotal South High School	90,539	285,099	271,332	104,306
Lakewood Middle School				
Art project	122	0	1	121
Band	1,219	1,768	2,965	22
Cheerleaders	621	359	697	283
Enrichment	1,299	335	425	1,209
Lakewood Sports	2,216	1,508	1,234	2,490
Mustang Stampede	1,970	1,006	2,731	245
Orchestra	3,381	9,471	8,636	4,216
Robotics club	60	200	50	210
Stang Gang	2	1,831	1,740	93
Student council	1,257	2,049	2,044	1,262
Tri-M Group	623	1,950	1,468	1,105
Subtotal Lakewood Middle School	12,770	20,477	21,991	11,256

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 3

AGENCY FUNDS

**SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended June 30, 2014**

Fund	Cash Balance June 30, 2013	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2014
South Middle School				
Art club	\$ 5,705	\$ 1,094	\$ 691	\$ 6,108
Band	747	1,450	2,165	32
Cheerleaders	199	4,612	3,685	1,126
Math counts	97	0	0	97
Orchestra	237	4,005	3,437	805
Science club	5	0	0	5
SMH club	393	602	285	710
South Middle sports	5,927	12,171	11,601	6,497
Student council	2,236	2,145	880	3,501
Vocal music fund	1,124	9,672	9,712	1,084
Subtotal South Middle School	<u>16,670</u>	<u>35,751</u>	<u>32,456</u>	<u>19,965</u>
Heusner Elementary School				
Student Council	<u>1,547</u>	<u>2,100</u>	<u>2,906</u>	<u>741</u>
Total agency funds	<u>\$ 234,420</u>	<u>\$ 780,783</u>	<u>\$ 744,547</u>	<u>\$ 270,656</u>

See Independent Auditor's Report.

Salina Unified School District Number 305

Schedule 4

DISTRICT ACTIVITY FUNDS

**SCHEDULE OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended June 30, 2014**

	<u>Cash Balance June 30, 2013</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Cash Balance June 30, 2014</u>
Gate receipts				
Central High School				
Athletics	\$ 101,664	\$ 141,430	\$ 180,200	\$ 62,894
South High School				
Activity tickets	74	6,266	6,257	83
Athletics	128,124	110,477	136,528	102,073
Subtotal South High School	128,198	116,743	142,785	102,156
Lakewood Middle School				
Athletics	2,598	13,088	14,092	1,594
South Middle School				
Athletics	16,925	17,679	15,704	18,900
Subtotal gate receipts	249,385	288,940	352,781	185,544
School projects				
Central High School				
Act. Supplemental Fund	456	0	0	456
Asset Building Team	256	0	0	256
Copy Machines	452	0	0	452
Courtyard project	1,384	0	305	1,079
Crime stoppers	43	0	0	43
CS FB Concessions Equipment	2,600	498	0	3,098
Family & consumer sciences	31	0	0	31
General account	16,062	9,426	4,016	21,472
Homework helpers	1,000	0	0	1,000
Investments	421	381	421	381
Leadership Fund	6	0	0	6
Library Service Fund	380	59	36	403
Literacy Fund	129	0	0	129
Special Ed Stang shop	417	0	0	417
PBD	1,003	712	763	952
Prevention Fund	846	0	0	846
Special Student Account	2,363	791	626	2,528
Welfare Fund	327	1,837	1,691	473
Wicker Chair Pictures	4,586	3,238	2,257	5,567
Sales tax	77	22,361	22,360	78
Subtotal Central High School	32,839	39,303	32,475	39,667

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 4****DISTRICT ACTIVITY FUNDS**

**SCHEDULE OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended June 30, 2014**

	<u>Cash Balance June 30, 2013</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Cash Balance June 30, 2014</u>
School projects- continued				
South High School				
Athletic letters	\$ 395	\$ 274	\$ 0	\$ 669
Bully Prevention Program	193	0	0	193
Business pathway	151	0	151	0
Cougar Statue Fund	5,207	653	182	5,678
Crimestoppers	198	0	10	188
Gifted/Co-op Expenses	124	0	124	0
Health and Wellness Program	560	0	0	560
Library Service	451	451	460	442
Link Crew	1,079	3,639	2,634	2,084
PBD	0	11	0	11
PBS	26	0	26	0
Renaissance	601	231	334	498
School Improvement	195	0	0	195
School Store	287	366	233	420
School Team	633	0	633	0
Staff development	409	1,691	2,100	0
Student needs	4,000	12,955	13,352	3,603
Substance Prevention	2,086	315	553	1,848
Swim team display board	1,207	0	0	1,207
Sales tax	5	19,644	18,949	700
Subtotal South High School	<u>17,807</u>	<u>40,230</u>	<u>39,741</u>	<u>18,296</u>
Lakewood Middle School				
Book fair	2	1,534	1,427	109
Box Top Expense	1,146	654	424	1,376
Crimestoppers	200	0	0	200
FACS	334	550	414	470
Lake Project	431	2,000	1,308	1,123
Magazine sales	3,040	46,028	46,695	2,373
PE department	785	0	252	533
Principal's fund	57	40	67	30
Publications	88	8,121	7,785	424
Renaissance	64	0	0	64
Student prevention	1,358	315	68	1,605
Student supply fund	18	8,230	6,632	1,616
Sales tax	1,109	6,447	6,906	650
Subtotal Lakewood Middle School	<u>8,632</u>	<u>73,919</u>	<u>71,978</u>	<u>10,573</u>

See Independent Auditor's Report.

Salina Unified School District Number 305**Schedule 4****DISTRICT ACTIVITY FUNDS**

**SCHEDULE OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended June 30, 2014**

	<u>Cash Balance June 30, 2013</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Cash Balance June 30, 2014</u>
School projects- continued				
South Middle School				
Cops Expenditures	\$ 558	\$ 0	\$ 77	\$ 481
Crimestoppers	159	0	0	159
Family and Consumer Science	1,095	815	696	1,214
Gifted program	1,396	729	753	1,372
SMS Improvements	13,102	5,817	3,433	15,486
Library Book Fair	161	1,434	1,150	445
Magazine sales	21,289	22,745	24,527	19,507
Principal's fund	2,028	2,380	1,904	2,504
SADD Expense	798	0	0	798
Yearbook	13,781	9,698	7,200	16,279
Sales tax	256	5,784	5,853	187
Subtotal South Middle School	<u>54,623</u>	<u>49,402</u>	<u>45,593</u>	<u>58,432</u>
School projects- continued				
Special Education				
Exceptional Catering	1,194	1,264	1,030	1,428
Opportunity Now	18,082	17,349	15,063	20,368
Sales tax	106	733	598	241
Subtotal Special Education	<u>19,382</u>	<u>19,346</u>	<u>16,691</u>	<u>22,037</u>
Subtotal school projects	<u>133,283</u>	<u>222,200</u>	<u>206,478</u>	<u>149,005</u>
User fees				
Central High School	1,703	29,399	29,694	1,408
South High School	0	72,125	72,125	0
Lakewood Middle School	30	6,426	6,426	30
South Middle School	0	11,099	11,099	0
Subtotal User Fees	<u>1,733</u>	<u>119,049</u>	<u>119,344</u>	<u>1,438</u>
Total District Activity Funds	\$ <u>384,401</u>	\$ <u>630,189</u>	\$ <u>678,603</u>	\$ <u>335,987</u>

See Independent Auditor's Report.

Salina Unified School District Number 305

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

Federal Grant	Federal	Pass		
Pass Through Grantor/Program Title	CFDA	Through	Revenues	Expenditures
	Number	Grantor's		
		Number		
<u>U.S. Department of Education</u>				
<u>Pass Through Kansas Department of Education</u>				
Title I Grants to Local Education Agencies	84.010	D0305	\$ 1,981,046	\$ 2,036,381
Migrant Education	84.011	N/A	25,000	25,000
Special Education Grants to States	84.027	N/A	3,092,434	3,092,434
Vocational Education	84.048	N/A	85,769	85,769
Special Education Preschool	84.173	N/A	102,172	102,172
Title IV	84.287	N/A	193,992	188,129
English Language Acquisition	84.365	DO305	45,471	45,471
Improving Teacher Quality	84.367	DO305	354,634	315,009
<u>Pass Through Kansas Department of Regents</u>				
Adult Education	84.002	N/A	114,635	114,635
Total U.S. Department of Education			<u>5,995,153</u>	<u>6,005,000</u>
<u>U.S. Department of Agriculture</u>				
<u>Pass Through Kansas Department of Education</u>				
School Breakfast Program	10.553	N/A	411,072	411,072
National School Lunch Program	10.555	N/A	2,091,605	2,091,605
Child and Adult Care Food Program	10.558	N/A	213,867	201,339
Summer Food Service Program for Children	10.559	N/A	116,304	116,304
State Administrative Expense				
for Child Nutrition	10.560	N/A	500	500
Team Nutrition Grants	10.574	N/A	2,360	2,360
Child Care Wellness	10.579	N/A	500	500
Fresh Fruit & Vegetable Program	10.582	N/A	6,207	6,207
Total U.S. Department of Agriculture			<u>2,842,415</u>	<u>2,829,887</u>
<u>U.S. Department of Health and Human Services</u>				
<u>Pass Through Kansas Department of Children & Families</u>				
Title VI	93.938	N/A	630	630
Child Care and Development Block Grant	93.575	CFS-NER-06-003	13,403	0
Child Care and Development Block Grant	93.575	07CHO358	983,915	961,468
<u>Direct Aid</u>				
Head Start	93.600	07CHO358/18	4,183,647	4,183,647
Total U.S. Department of Health and Human Services			<u>5,181,595</u>	<u>5,145,745</u>
Total revenues and expenditures of federal awards			<u>\$ 14,019,163</u>	<u>\$ 13,980,632</u>

See Independent Auditor's Report.

Salina Unified School District Number 305

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2014

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Salina Unified School District Number 305 under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a select portion of the operations of Salina Unified School District Number 305, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Salina Unified School District Number 305.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule of Expenditures of Federal Awards are reported based upon the Kansas Municipal Audit and Accounting Guide.

NOTE C. SUBRECIPIENTS

Salina Unified School District Number 305 did not provide federal awards to any sub-recipient for the year ended June 30, 2014.

SPECIAL REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members

Salina Unified School District Number 305
Salina, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Salina Unified School District Number 305 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which comprise the District's regulatory basis financial statements, and have issued our report thereon dated September 15, 2014. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gyler & Sheddert, Chartered

September 15, 2014

Emporia, Kansas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board Members
Salina Unified School District Number 305
Salina, Kansas

Report on Compliance for Each Major Federal Program

We have audited Salina Unified School District Number 305's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on each Major Federal Program

In our opinion, the District complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB-Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Cyler & Sheddert, Chartered

September 15, 2014
Emporia, Kansas

Salina Unified School District Number 305

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No
Significant deficiencies identified not considered to be material weaknesses: None reported
Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No
Significant deficiencies identified not considered to be material weaknesses: No
Type of auditor's report issued on compliance for major programs: Unqualified
Any audit findings disclosed that are required to be reported in accordance with
OMB Circular A-133, Section .510(a)? No

Identification of major programs:

<u>CFDA Number's</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
84.010	Title I	\$ 2,036,381
84.027	Special Education EHC Flo-thru	3,092,434
84.173	Special Education Preschool	102,172
93.575	Head Start - Early Childhood	961,468

Dollar threshold used to distinguish between Type A and Type B programs 419,419

Auditee qualified as a low-risk auditee? Yes